

**CITY OF DUVALL
COUNCIL MEETING
October 8, 2009
7:00 P.M. - Duvall Fire Station**

Council Workshop – 6:00 P.M.: 2010 BUDGET WORKSHOP – 45 minutes
Traffic Impact Fee – 10 minutes

The City Council Meeting was called to order by Mayor Ibershof at 7:03 P.M.

Council Present: Gérard Cattin, Vicki Edwards, Anne Laughlin, Elizabeth Walker,
Glen Kuntz, Dianne Brudnicki, Gary Gill

Staff Present: Glenn Merryman, Harry Oestreich, Jodi Lee Wycoff, Lara Thomas,
Boyd Benson, Bruce Disend, Steve Leniszewski, John Lambert

I. Additions or Corrections to the Agenda:

Under Consent Agenda add: Payroll Checks #9021-9041, in the amount of \$211,867.54; and Claims Checks #9042-9109 and #9020 in the amount of \$293,052.47.

II. Adoption of Council Agenda:

It was moved and seconded (Edwards-Brudnicki) to adopt the 10/08/09 Council Agenda. The motion carried. (7 ayes).

III. Comments from the Audience:

Tove Burhen, PO Box 6, Duvall, representing the Duvall Historical Society, reported that the Fall Farm Tour was a great success. They had about 400 people there who enjoyed the various demonstrations. She said they opened the bunk house for the event which will now be part of the regular Dougherty Farmstead tours. They are still looking for a pot-belly stove for the bunk house. Tove also announced a few of the upcoming events that will be happening at the Sno-Valley Senior Center. There is a dinner this Saturday that everyone is invited to, and you can now reserve your spot at the Oktoberfest Dinner they will be having. Their “Auction” Dinner will be October 24th, which is always a good time. She also reported that the Senior Play titled, “Senior Moments,” will be playing October 30th through November 1st.

Kass Holdeman, P.O. Box 1618, Duvall, representing Duvall Cultural Commission (DCC) announced that out of the \$50 million from the Recovery and Investment Act, Washington State received \$1.2 million. Out of that, \$250,000 was awarded to 4Culture, King County’s granting organization for arts and culture in Washington. 4Culture

received grant applications from 99 organizations and awarded to 40 of them. DCC received one of those grants for \$6500 which will be used for programs in 2010.

IV. Presentation: *None*

V. Approval of Consent Agenda:

It was moved and seconded (Cattin-Laughlin) to approve the consent agenda which included Payroll Checks #9021-9041, in the amount of \$211,867.54; and Claims Checks #9042-9109 and #9020 in the amount of \$293,052.47; and Approving the Council Meeting Minutes of 9/24/09. The motion carried. (7 ayes).

VI. Scheduled Items:

1. Mayor:

Mayor Ibershof reported he is a member of the Suburban Cities King County Budget taskforce with seven other area mayors. They met with King County Councilmembers and the King County Acting Executive to discuss concerns about the budget. They told King County not to push problems on to the cities just to balance their budget. They discussed focusing on mandates and told them to consider eliminating programs and projects that don't meet those mandates. They also talked about Animal Control and possible solutions which include Seattle Humane Society taking over the housing, and a new private agency handling the services that Animal Control currently takes care of. Mayor Ibershof also reported that he attended the City Manager/Administrator meeting this week where the potential flooding in the south part of the county was discussed. He said that one of the figures he has heard is \$40 million being spent on prevention efforts in that area. Mayor Ibershof also announced that the Suburban Cities Association has open nominations for 130 appointments and he encouraged every Councilmember to consider serving on one of the boards or commissions. Mayor Ibershof read aloud a proclamation proclaiming October as National Arts & Humanities Month and presented it to Kass Holdeman, Chair of the Duvall Cultural Commission.

VII. Public Hearing: Public Hearing on Initiative 1033

7:22 PM: The Public Hearing was opened.

Finance Director Harry Oestreich presented information about the impacts of I-1033 on the City of Duvall. He said that this is a spending limit initiative. Although not directly excluded in the Initiative, fire and other special districts, by omission, are not affected by this Initiative. There is a specific formula which will use 2009 as the base year. A city can increase the limit two ways: one is to use the CPI in March plus the population number in June of the succeeding year which would give the amount that could be spent. The other way is to go to the voters to request a lift of the base. Only lifts passed after January 2010 would be effective with this Initiative. Revenue in excess of the lid goes in

to a special account. The property tax would then go down based on how much is in that special account. Harry said that he has several questions about the Initiative that don't seem to be answered. He then showed a spreadsheet using the formula in I-1033 if Duvall were to grow by 35 homes per year, and then if Duvall grew faster.

Leroy Collinwood, 28532 NE 153rd Street, Duvall, said that in his opinion, tax increases should only be by voter approval. If the city did reach dire problems as the Finance Director explained, then talk to the voters. He supports Initiative 1033 even if it means a hard time and that Finance will have to scramble. He believes Council should look for ways to stimulate growth, specifically business growth. He also believes that there should be controlled construction.

Harry Oestreich answered questions and clarified some details for Council.

7:42 PM: The Public Hearing was closed.

Public Hearing: Public Hearing to receive input on revenue sources for the 2010 Budget, including consideration of possible increases in property tax revenue.

7:44 PM: The Public Hearing was opened.

Finance Director Harry Oestreich explained that this Public Hearing is one of two required public hearings for the budget process. He showed a few charts explaining Duvall's revenue sources. He also explained the origins of Parks and Police levy which was passed in 2006. 2010 will be the last year of this levy.

Robert Millard, 28420 NE Cherry Valley Road, Duvall, feels that the direction the City is heading is to raise fees wherever it can until development stops. The City also looked at adding a B&O tax to businesses. The reason things like Initiative 1033 come about is because citizens do not trust their government. They don't expect that the government has their best interest at heart. He asked that Council trust the citizens to make the right decisions with all the facts. The City is telling its citizens that they want to take as much money from them as possible.

Leroy Collinwood, 28532 NE 153rd Street, Duvall, is strongly opposed to raising taxes. He is okay with the 1% inflation increase but the City has seen a drop in revenue and there should be a corresponding drop in expenditures. He would like the City's motto be "regulate expenses to match existing revenue". He expects the City to only use the money they know is coming in. He suggests that the City cut non-core, non-essential services. Delay capital improvements until revenue increases. Tighten control and only spend on necessities. Also, lower impact fees to get development back in and lower taxes and fees for all businesses in town. By doing these things, Leroy feels that the City would be able to save more revenue it is currently bringing in, stimulate more construction and business growth. Revenue will go up and you won't have to ask for more taxes from citizens. He asked Council to prioritize police and safety while working their budget.

John Durant, 16032 – 271st Place NE, Duvall, said a lot of people are hurting out there right now and he is concerned when we start looking at tax increases. Impact fee increases also affect people in town, even if they already live here. He gave an example of a citizen he recently talked to about their situation whose income only covers necessities. He asked Council to ask themselves what projects can be delayed until the economy turns around.

Lee Ater, 27614 NE 140th Place, Duvall, thanked staff and Council for their amazing work with a 15% cut to the budget. She asked Council to look at some other more creative alternatives to a tax increase. She said we are perfectly poised to use those alternatives and to be creative. We are in a different economic climate right now. We cannot continue to spend or tax into the future but we can be innovative into the future. She said that there are community members who are willing to give time and services which would equate to savings in the budget.

Harry Oestreich then answered questions from Mayor and Councilmembers.

Councilmember Gerard Cattin said that the City has listened to its citizens regarding only spending the dollars the City has to fund Police and Parks, which is what the current levy is for. The City has cut its budget from \$30 million to \$17 million in the last three years. The hearing tonight was not to increase taxes but to stay at the level of service that the City is currently at, which is what the citizens voted for.

Councilmember Dianne Brudnicki stated that she went through the budget with a fine tooth comb and feels that staff has done their due diligence to trim the budget as much as they can while keeping a “Safe City” as one of the top priorities.

7:58 PM: The Public Hearing was closed.

VIII. New Business:

1. (AB09-65) Approve and authorize the Mayor to sign an Interlocal Agreement with the City of Redmond for Dispatch Services. *It was moved and seconded (Walker-Kuntz) to approve and authorize the Mayor to sign an Interlocal Agreement with the City of Redmond for Dispatch Services. The motion carried. (7 ayes).*

IX. Scheduled Items:

1. Staff Reports:

a. Public Works: Steve Leniszewski, Public Works Director, reported that there is a bid opening tomorrow for the System Wide Pressure Relief Improvements. He said that he will bring a possible expenditure request for snow and flood equipment to the Public Works Committee next week. He will also attend a King County Public Works Directors meeting next week. It's a good opportunity to have open communications with other agencies about the upcoming winter. He will also attend a coordination meeting with

WSDOT where they discuss potential issues with snow and floods. Steve said that the contract with Seattle Public Utilities is up in 2012, so they are starting negotiations now. He reported that he attended the Farm Tour this last weekend which was a good experience. He thanked the Duvall Historical Society for all of their hard work. Steve gave an update on a car accident involving two of the city's public works crew members. They are okay but the other driver apparently had a heart attack during the accident and is still in critical care. After extensive inspections it was determined that the crew was not at fault and the other driver's condition was likely not caused by the accident.

b. Planning Department: Lara Thomas, Planning Manager, gave an update on the Planning Department's current projects which includes the 2009 Comprehensive Plan Update. She expects to have the Update to Council for approval in January. She reported that she recently received the Interlocal Agreement from King County for the Burhen Property. She will review it and as long as there are no major changes, she will bring it to Council for approval at the next meeting. Lara reported that King County and the King Conservation District (KCD) are in a headlock about funds and who is in charge of them. KCD had a large impact on projects in our area. The Snoqualmie Watershed Forum will be writing a letter asking the two entities to start talking again. Lara reminded Council of the development tour with CamWest on October 29th. She said she will be meeting soon with WSDOT to discuss the culvert project on SR203 at Coe Clemmons Creek. The Planning Department is also working on the Shoreline Master Plan Update and will have an open house on that project in the near future. Lastly, Lara reported they are working on signage packets with the Mayor, Land Use Committee, Chamber of Commerce, and the Economic Development Committee to make sure people are working within the sign guidelines until they can be changed.

c. Police: Glenn Merryman, Police Chief, gave an update on the new K9 officer who is in his 2nd week of training in North Carolina and said all is going well. He thanked Council for their words of appreciation to staff regarding all of the work they have done on the budget. He said that one thing that has helped with the budget is our great relationship with other entities.

d. Finance: Harry Oestreich, Finance Director, continued his discussion from the Workshop regarding the 2010 budget. He discussed the contingency fund. He said that the City has never fully funded the contingency fund and he suggested that they do that this year. The Contingency Fund is used for emergencies and unforeseen expenses throughout the year. Any expenditures must be approved by Council. He encouraged Council to review their budget binders and ask him any questions they have. Harry said as far as the levy is concerned, the City only controls the levy amount, the County determines the assessed value.

X. Executive Session: None

XI. Adjournment:

It was moved and seconded (Laughlin-Walker) to adjourn the meeting. The meeting adjourned at 8:26 p.m.

Signed _____
Mayor Will Ibershof

Attest _____
Jodi Lee Wycoff, Deputy City Clerk